REMARKS

In the Office Action, the Examiner noted that claims 1-21 are pending in the application and that claims 1-21 stand rejected. By this response, claims 10 and 20 are cancelled, claims 22-23 are added and claims 1, 4-5, 9, 12, 15-16 and 19 are amended to correct for formality errors and to more clearly define the invention of the Applicant.

In view of the amendments presented above and the following discussion, the Applicant respectfully submits that none of the claims now presently in the application are anticipated under the provisions of 35 U.S.C. § 102 or rendered obvious under the provisions of 35 U.S.C. § 103. Thus, the Applicant believes that all of these claims are now in allowable form.

Rejections

A. 35 U.S.C. § 102

The Examiner rejected the Applicant's claims 1, 4-7, 9-12, 15-17 and 19-21 under 35 U.S.C. § 102(e) as being anticipated by McMahon (US Patent No. 7,020,195). The rejection is respectfully traversed.

"Anticipation requires the presence in a single prior art reference disclosure of each and every element of the claimed invention, arranged as in the claim" (Lindemann Maschinenfabrik GmbH v. American Hoist & Derrik Co., 730 F.2d 1452, 221 USPQ 481, 485 (Fed. Cir. 1983)) (emphasis added). The Applicant respectfully submits that McMahon absolutely fails to teach each and every element of the claimed invention arranged as in at least amended, independent claim 1, which specifically recites:

> "A method of providing multiple versions of a digital recording comprising the steps of:
> using a first stream identification, encoding a base layer comprising base data representing a first version of a digital recording; and
> using a second stream identification, encoding an enhancement layer comprising enhancement data which can be combined with said base data to represent a second version of the digital recording,
> wherein said base layer and said enhancement layer are stored on a single side of a storage medium."

Support for the amendment to the Applicant's claim 1 can be found throughout the Applicant's Specification and specifically in cancelled claim 10.

That is, the Applicant's claims 1, 4, 5, 9, 12, 15, 16, and 19 have been amended, and Claims 10 and 20 have been cancelled. In particular, claims 1 and 12 have been amended to now include the limitations of cancelled claims 10 and 20, respectively. Moreover, Claim 4 has been amended to essentially include the limitations of Claim 5, and Claim 15 has been amended to essentially include the limitations of Claim 16. Claims 5 and 16 now recite previously unclaimed subject matter. Support for the amendments to Claims 5 and 16 may be found at least at page 2, lines 2-5, and page 3, lines 27-28 of the Applicants' specification. Claims 9 and 19 now recite previously unclaimed subject matter. Support for the amendments to Claims 9 and 19 may be found at least at page 4, line 16 to page 5, line 7 of the Applicants' specification.

It is respectfully asserted that none of the cited references, either taken singly or in any combination, teach or suggest "wherein said base layer and said enhancement layer are stored on a single side of said storage medium" as taught in the Applicant's Specification and claimed in at least the Applicant's claim 1, or "wherein said base layer and said enhancement layer are stored on a single side of the DVD medium" as claimed in the Applicant's claim 12.

In the First Office Action, the Examiner has cited claim 17 of McMahon as anticipating the Applicant's invention. The Applicant respectfully disagrees.

Claim 17 of McMahon simply discloses the following: "17. A method as recited in claim 1, further including storing the base layer and the enhancement layer on a storage medium." As such, McMahon makes no mention whatsoever regarding a **single side**, let alone storing the base layer and the enhancement layer on a single side of a storage medium as explicitly recited in Claims 1 and 12. Hence, McMahon is completely silent with respect to the preceding limitations of Claims 1 and 12. In fact, a further review of McMahon reveals portions of McMahon that teach away from the explicit limitations of Claims 1 and 12.

For example, column 8, lines 2-16 of McMahon discloses that "[t]he base layer [and enhancement layer ... are not necessarily stored on the same storage medium". The base layer may be stored on a DVD or other physical

medium, while the enhancement layer may be downloaded from the Internet and stored on a local disk drive (i.e., a memory other than the DVD).

Hence, given the preceding described approach of using a DVD for the base layer and the Internet and a local disk drive for the enhancement layer, it would seem improbable that McMahon would contemplate storing both layers on a single side of a DVD, and certainly no such disclosure exists in McMahon explicitly disclosing the same.

"A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." MPEP §2131, citing Verdegaal Bros. v. Union Oil Co. of California, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). Moreover, "[t]o establish prima facie obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art" (MPEP §2143.03, citing *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974)).

Hence, the Applicant respectfully submits that McMahon does not teach or suggest all of the above recited limitations of Claims 1 and 12.

Therefore, the Applicant submits that for at least the reasons recited above, McMahon absolutely fails to teach, suggest or anticipate each and every element of the claimed invention, arranged as in at least the Applicant's amended, independent claim 1 as required for anticipation. Therefore, the Applicant submits that the Applicant's claim 1 is not anticipated by the teachings of McMahon, and as such, fully satisfies the requirements of 35 U.S.C. § 102 and is patentable thereunder.

Likewise, the Applicant's claim 12 is an independent claim that recites similar relevant features as the Applicant's independent claim 1. The Applicant respectfully submits that for at least the same reasons as recited above with reference to the Applicant's amended claim 1, independent claim 12 is also not anticipated by the teachings of McMahon and, as such, fully satisfies the requirements of 35 U.S.C. § 102 and is patentable thereunder.

Furthermore, dependent claims 4-7, 9, 11, 15-17 and 19-21 and new claims 22-23 depend directly from the Applicant's independent claims 1 and 12, respectively, and recite additional features therefor. As such and for at least

the reasons recited above, the Applicant submits that dependent claims 4-7, 9, 11, 15-17 and 19-21 and new claims 22-23 are also not anticipated by the teachings of McMahon. Therefore the Applicant submits that dependent claims 4-7, 9, 11, 15-17 and 19-21 and new claims 22-23 also fully satisfy the requirements of 35 U.S.C. § 102 and are patentable thereunder.

The Applicant reserves the right to establish the patentability of each of the claims individually in subsequent prosecution.

B. 35 U.S.C. § 103

The Examiner rejected claims 2-3 and 13-14 under 35 U.S.C. § 103(a) as being unpatentable over McMahon in view of Kikuchi et al. (U.S. Patent Publication No. 2003/0147629, hereinafter "Kikuchi"). The rejection is respectfully traversed.

The Applicant would like to specifically point out that "If an independent claim is nonobvious under 35 U.S.C. 103, then any claim depending therefrom is nonobvious" (MPEP §2143.03, citing *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988)).

As stated above and for at least the reasons recited above, the Applicant submits that the teachings of McMahon absolutely fail to teach, suggest, anticipate or render obvious at least the Applicant's independent claims 1 and 12. As such and for at least the reasons recited above, the Applicant further submits that the teachings of McMahon also absolutely fail to teach, suggest, anticipate or render obvious at least the Applicant's claims 2-3 and 13-14, which depend directly from the Applicant's independent claims 1 and 12, respectively.

Therefore, the Applicant submits that for at least the reasons recited above, the Applicant's claims 2-3 and 13-14 are not rendered obvious by the teachings of McMahon and, as such, fully satisfy the requirements of 35 U.S.C. § 103 and are patentable thereunder.

The Applicant further submits that the teachings of Kikuchi absolutely fail to bridge the substantial gap between the teachings of McMahon and the invention of the Applicant. More specifically, the Applicant submits that Kikuchi absolutely fails to teach, anticipate or make obvious "wherein said base layer

and said enhancement layer are stored on a single side of said storage medium" as taught in the Applicant's Specification and claimed in at least the Applicant's claim 1, or "wherein said base layer and said enhancement layer are stored on a single side of the DVD medium" as claimed in the Applicant's claim 12.

More specifically, Kikuchi teaches a digital information recording/ playback system and digital information recording medium in which a thumbnail or thumbnail control information, extracted from a moving picture of a video is used as the control information. In Kikuchi, the thumbnail control information includes information for generating a thumbnail image which is generated based on the contents of the video data, and information for using the generated thumbnail picture in a menu corresponding to the contents of the video data. The user can create a menu corresponding to the video recorded contents. However, there is absolutely no teaching, disclosure or suggestion in Kikuchi for "wherein said base layer and said enhancement layer are stored on a single side of said storage medium" as taught in the Applicant's Specification and claimed in at least the Applicant's claim 1, or "wherein said base layer and said enhancement layer are stored on a single side of the DVD medium" as claimed in the Applicant's claim 12. In fact, the Examiner only cites Kikuchi for teaching a video recording apparatus which includes the capability of identify streams of information using 0XE0.

Also, as noted above, new Claims 22-23 have been added. Support for new Claims 22-23 may be found at least at page 10, lines -11 and page 11, lines 13-23 of the Applicants' specification. It is respectfully asserted that none of the cited references, either taken singly or in combination, teach or suggest the following limitations recited in Claims 22 and 23:

wherein said base layer is formed by applying a two step transformation process to an input high definition sequence, the two step transformation process using a post-multiplication step by a first downsampling matrix for horizontal downsampling and a pre-multiplication step by a second downsampling matrix for vertical downsampling, and said enhancement layer is formed by applying a two step interpolation process to reconstructed base

pixels, the two step interpolation process using a pre-multiplication step by a first interpolation matrix for vertical interpolation and a post-multiplication step by a second interpolation matrix for vertical interpolation.

Therefore, the Applicant submits that for at least the reasons recited above the Applicant's independent claims 1 and 12 are not rendered obvious by the teachings of McMahon and Kikuchi, alone or in any allowable combination, and, as such, fully satisfies the requirements of 35 U.S.C. § 103 and is patentable thereunder.

Furthermore, dependent claims 2-3 and 13-14 and new claims 22 and 23 depend directly from independent claims 1 and 12, and recite additional features therefor. As such and for at least the reasons set forth herein, the Applicant submits that dependent claims 2-3 and 13-14 and new claims 22 and 23 are also not rendered obvious by the teachings of McMahon and Kikuchi, alone or in any allowable combination. Therefore the Applicant submits that dependent claims 2-3 and 13-14 and new claims 22 and 23 also fully satisfy the requirements of 35 U.S.C. § 103 and are patentable thereunder.

The Applicant reserves the right to establish the patentability of each of the claims individually in subsequent prosecution.

Conclusion

Thus the Applicant submits that none of the claims, presently in the application, are anticipated under the provisions of 35 U.S.C. § 102 or rendered obvious under the provisions of 35 U.S.C. § 103. Consequently, the Applicant believes that all these claims are presently in condition for allowance. Accordingly, both reconsideration of this application and its swift passage to issue are earnestly solicited.

If however, the Examiner believes that there are any unresolved issues requiring adverse final action in any of the claims now pending in the application, or if the Examiner believes a telephone interview would expedite the prosecution of the subject application to completion, it is respectfully requested that the Examiner telephone the undersigned.

No fee is believed due. However, if a fee is due, please charge the additional fee to Deposit Account No. 07-0832.

Respectfully submitted,
Mary LaFuze Comer, et al.

By: _____
Jorge Tony Villabon
Attorney for Applicants
Reg. No. 52,322
(609) 734-6445

Patent Operations
Thomson Licensing Inc.
P.O. Box 5312
Princeton, New Jersey 08543-5312

July 29, 2008